



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

July 25, 2017

Michigan House of Representatives
Michigan Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I am returning Enrolled Senate Bills 94 and 95 to you unsigned. These bills, generally known as Sales Tax on the Difference, represent a departure from a compromise I made with the Legislature in 2013.

That compromise created a system through which a vehicle buyer who traded in a vehicle saw a reduction in their sales or use tax based on the difference between the price of the vehicle they were purchasing and the one they were trading in. The reduction is scheduled to phase-in gradually to lessen the burden on the state's general and school aid funds, which are paid for by Michigan taxpayers.

The bills would accelerate a gradual and agreed upon phase-in of the sales and use tax relief to a degree that I believe is not fiscally prudent. With budget pressures from a number of areas in coming years, in particular dedication of funds to road funding, I do not believe it is appropriate to create additional financial strain by accelerating the tax relief agreed to in 2013.

Accordingly, I am returning Senate Bills 94 and 95 without signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Snyder", written in a cursive style.

Rick Snyder
Governor